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July 8, 2005

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W-01646A-03-0601
W-01868A-03-0601
W-02235A-03-0601
W-02230A-03-0601
W-01629A-03-0601
W-02240A-03-0601
W-02316A-03-0601

RE: McLain Water Companies

Dear Colleagues:

This morning I had the opportunity to speak with Chairman Patrick Call of the Cochise County Board of Supervisors about the severe water problems plaguing the McLain water companies (Cochise Water and Horseshoe Ranch) and the issue of delinquent property taxes.

In response to recent and ongoing water shortages and operational problems occurring in McLain systems, Chairman Call subsequently convened an emergency session of the Board of Supervisors. I also discussed the same issues with Supervisor Paul Newman prior to their emergency meeting. He, too, is very concerned about the reliability of water service in the McLain systems.

I am hopeful that the Cochise County Supervisors will help provide some emergency financial assistance to the interim operator, ASUA, so that repairs can be made on McLain's dilapidated systems. I also foresee some action on Supervisors' part to assist in resolving the delinquent property tax issue.

In the near future, Supervisors Call and Newman want to participate with us at our upcoming Town Hall meeting in Cochise County with the goal bringing the McLain system to full operational capability.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Hatch-Miller".

Jeff Hatch-Miller, Chairman
Arizona Corporation Commission

JHM:tm

Cc: Brian McNeil
Ernest Johnson
Steve Olea
Service List